

# Well, I Didn't Plan for THIS - Financial Planning in Turbulent Times

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**For anyone without a financial plan, now probably feels like a terrible time to start one. Portfolio values can change by 10 percent depending on when the plan is created.**

Many people face uncertainty about job security. Business owners are unsure of their company's future. The thing is, we often focus on the elements we can't fully control, under even the best of circumstances. Portfolio returns, job security, business success, can all be dependent on external factors even on sunnier days. We must plan for the things we can better control. How much are we spending and saving, when do we plan on retiring, what will retirement look like? These are all factors primarily driven by our choices, and they are the most important factors in any long-term retirement plan.

The basis for any good financial plan remains unchanged – realistic pessimism. It is the job of any plan to allow for the worst realistic scenario. We knew there would be a market correction at some point, just not when or why. There will be others. What we need is clarity on where to go next and how to remain financially stable.

A plan starts with today. We can't predict tomorrow but we can try to anticipate the big picture over the next few decades. Do I have enough to meet my goals if there's no quick market recovery? What happens if I lose my job and have to live on savings? What if I can't sell my business? While we hope these concerns don't come to pass, we can plan as if they will.

How can I be financially responsible now, so I have the means and the confidence to weather the storm? How concerned do I need to be? What choices will keep the ship afloat?

A good financial plan helps build for contingencies. A good financial plan also considers factors that are always relevant: Tax planning, insurance, estate planning, business succession, an emergency fund, children's educations, and major purchases. Not every component of a financial plan is related to our portfolios, and a lot of these decisions can be made regardless of portfolio volatility.

Already have a plan? Even the most robust plans should be revised every five years, closer to three for plans with less certainty. Those who don't expect to retire for many years, or who have a significant cushion, can reasonably stick to their regular revision schedule. For those who may be considering retirement within the next 24-36 months, it may be prudent to revise your plan now to ensure your retirement date is still sustainable. For anyone who has lost employment or seen a material downturn in their earnings, you may also want to update your plan.

Financial planners always seem to think that right now (whenever that happens to be) is the best time to plan. It feels especially true today as stress and uncertainty pose greater threats to our mental and physical health. The best cure for uncertainty is having a plan to deal with the chaos.

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